

Report on oncology site visits

ISSUE: How have changes in the way Medicare pays for physician-administered drugs and drug administration services affected physician practices and access to services for Medicare beneficiaries receiving chemotherapy?

KEY POINTS: The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) changed the way Medicare pays for physician-administered drugs and drug administration services. The Congress directed MedPAC to evaluate the effect of these changes on quality of care, beneficiary access, and physician practices in different areas of the country and different practice sizes. The first report, due January 1, 2006, focuses on services provided by oncologists. The second report, due January 1, 2007, focuses on drug administration services provided by other specialties.

For our report on oncology services, we visited sites in five states and metropolitan areas from 2004 to 2005. In physician offices, we met with oncologists, oncology nurses, practice administrators, and pharmacists. In addition, we met with relevant personnel in community hospitals, university hospitals, and cancer hospitals. We also met with representatives from local health plans.

Key findings include:

- No practice we visited has stopped treating Medicare patients.
- Both physician practices and hospital outpatient departments reported an increase in the volume of patients receiving chemotherapy.
- Oncology practices reported that they could purchase most, but not all, drugs at the Medicare payment rate.

At this meeting, staff will discuss the findings from these visits and how they relate to some of the issues raised by the payment changes.

ACTION: We would like Commissioners to discuss what additional information they would need to help them develop and evaluate policy recommendations.

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